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YUGOSLAVIA - WEST GERMANY: West German Foreign Minister Scheel's official visit to Yugoslavia from 25 to 27 November made good relations between the two countries even better.

Against a backdrop of exceptionally warm press coverage, Scheel and his Yugoslav counterpart, Mirko Tepavac, signed an extradition agreement that opens the way for West German deportation of Yugoslav emigre terrorists currently working out of the Federal Republic. Progress also is being made toward resolving the most serious problem in bilateral relations--German indemnification of Yugoslav World War II victims. It was announced that negotiations on this subject will begin soon.

In the realm of economic relations, the Yugoslavs urged Bonn to accept their assurances that capital investments and profits could be repatriated if joint ventures earned sufficient foreign exchange to cover the amounts sought in repatriation. Bonn, however, held out for guaranteed repatriation regardless of the foreign exchange position of individual companies. The two sides agreed to another urgent meeting of specialists to resolve the issue, which threatens existing joint arrangements.

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Yugoslav officials are pleased with the outcome of the talks. For its part, Bonn appears motivated by a desire to demonstrate to other East European states the benefits which can flow from a normalization of relations.

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FRANCE-POLAND: The visit to Warsaw last week of Premier Chaban-Delmas and Foreign Minister Schumann appears to have restored the good relations existing between the two countries prior to the 1968 events in Czechoslovakia.

This was probably the intent of the French in making the trip, and the Poles responded with a red-carpet welcome. At the same time Paris once again demonstrated its tendency to go its own way in pursuing relations with Communist countries, as it had previously with President Pompidou's trip to Moscow and Planning Minister Bettencourt's visit to Peking.

The Poles clearly wanted, and obtained, a French statement of satisfaction with the German-Polish treaty, and a reiteration of French de facto recognition of the Oder-Neisse boundary as an "indisputable and irreversible fact." The visit also gave Warsaw an opportunity to stress that its political and economic policy toward Western Europe is not wholly focused on relations with West Germany.

Despite Polish pressures, the French visitors held to the position taken by Pompidou in Moscow that Paris would support only a "properly prepared" conference on European security and only following substantial progress on the Berlin negotiations and ratification of the West German - Soviet nonaggression pact.

In the realm of bilateral activities, the two countries agreed to develop "political cooperation" through regular consultations with the purpose of eventually coordinating initiatives. They also discussed development of closer economic, cultural, and scientific-technological ties.

The three top Polish party leaders--Gomulka, President Spychalski, and Premier Cyrankiewicz--accepted an invitation to visit France.

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ALBANIA-YUGOSLAVIA: Improvement in relations continues despite persisting major ideological and nationalistic differences.

The 25th anniversary of the Yugoslav republic and the conclusion of an annual bilateral trade protocol last week provided both sides the opportunity to demonstrate anew the gradual thawing of hostile attitudes begun in late 1968. Commenting on the Yugoslav holiday, Tirana glossed over outstanding issues and, in a tone not noted in over 20 years, stressed the unity and common experience of the two peoples. The theme of the commentary was in line with a milestone speech by Albanian party chief Hoxha last May and a Tirana statement on the 29th anniversary of the Nazi invasion of Yugoslavia in April. Answering recent Yugoslav allegations of a Tirana-Sofia detente at Belgrade's expense, Tirana reassured the Yugoslavs that they continue to have a friend in Albania, which regards "their enemies as enemies of the Albanian people."

The trade protocol for 1971 was signed in Belgrade on 26 November. For the first time both countries agreed to long-term economic consultations running from 1971 to 1975. The Albanian delegation was given VIP treatment by Belgrade, including a tour of the Romanian-Yugoslav Iron Gates hydroelectric project on the Danube River. The Yugoslavs have desired closer ties with Albania, but have indicated that further improvements must come at Tirana's initiative; apparently Albania is cautiously moving in this direction.

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COMMUNIST CHINA: The regime's intention to place military officers in key central government positions has recently been confirmed.

A Peking NCNA broadcast on 28 November reporting the departure of a government delegation for Mauritania identified delegation head Sha Feng as "minister of agriculture and forestry." Sha, who previously had been identified as an officer in the Armor Corps, is the first army man to be officially confirmed as a ministry head since the Cultural Revolution. Another military officer was recently named a vice minister in the same ministry. These appointments reinforce other evidence that military officers will play a major role in the management of China's post - Cultural Revolution central government hierarchy.

In most ministries the principal decision-making authority over the past four years has in fact rested with military commissions that assumed control early in the Cultural Revolution. But, there have been signs that the leadership in Peking is divided over the precise extent of the army's future participation in government and party affairs. In all likelihood, a mixed picture will emerge, with some ministries headed by "rehabilitated" civilian cadre and others by relatively inexperienced military officers such as Sha.

Sha has been put in charge of a new ministry that came about with the merger of the formerly separate ministries of agriculture and forestry. It is one of five new supra-ministries formed over the past year or so by combining the functions of two and sometimes three ministries. Officially, this program is inspired by Mao Tse-tung's long-expressed desire to consolidate and streamline the top-heavy central government bureaucracy, which was made up of some 40 ministries and 12 commissions before the Cultural Revolution. Judging by

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developments thus far, it seems likely that even further cutbacks will be disclosed when the regime finally convenes its long-delayed National People's Congress--the governmental counterpart to the party congress held last year.

Despite the streamlining at the top, however, the regime has been less successful in reducing the number of subordinate staff officers necessary to keep the central government machinery working. Since October 1960 some 15 persons have been identified as leading members of the newly amalgamated Ministry of Agriculture and Forestry, including five former civilian vice ministers. This figure roughly approximates the number of top-level executives who were assigned to these functions prior to the Cultural Revolution.

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PAKISTAN: President Yahya Khan, at a press conference on 27 November, sought to defuse a potentially explosive situation in East Pakistan.

Tension had been increasing there as East Pakistani politicians attacked the government for alleged mishandling of cyclone relief, threatened dire consequences if the military government used the cyclone as an excuse for postponing coming elections, and continued their agitation for much greater provincial autonomy.

Although Yahya's defense of the relief effort was somewhat weak, he probably mitigated future criticism by announcing a \$180-million rehabilitation program.

Elections are to be postponed in the nine constituencies most severely hit by the cyclone, but Yahya apparently calmed leading politicians by strongly reaffirming that contests for the remainder of the 300 National Assembly seats will be held as scheduled on 7 December. Nevertheless, small, leftist parties--some of which do not want elections under any conditions--are continuing to call for new antigovernment demonstrations.

Yahya supported the long-standing East Pakistani demand for greater provincial autonomy. He qualified his support, however, by adding that the constitution to be drafted by the soon-to-be-elected National Assembly must ensure the "integrity, safety, and security of the country" or martial law will continue. [redacted]

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CHILE: The Communist Party is publicly boasting of its major role in the Allende government.

The speech of secretary general Luis Corvalan at a plenum of the Chilean Communist Party (PCCh) last week attests to the strong Communist influence in the policies adopted by Allende's Popular Unity (UP) coalition government. Corvalan cited economic and other measures already taken as proof that the month-old Allende administration is "of and for the masses." He warned that stubborn "imperialism and oligarchy" must be eradicated from all centers of Chilean economic power and hailed the Cuban revolution as the beginning of an historic process in Latin America.

Corvalan emphasized that the six parties that make up the UP must continue to cooperate and said that Allende's election was a triumph for the UP rather than a personal one. In welcoming the President to the plenum, Corvalan indicated that the PCCh relies on him and the powers at his command to carry out the revolution that will transform Chile into a "popular state." In his remarks Allende announced that he will submit legislation this week that would nationalize copper and private banks and insurance companies, and end monopolies.

Corvalan's speech implies PCCh leaders are now confident that anti-Communist opposition in Chile is weak and that they no longer need to be cautious in their exercise of political power. It also indicates that the PCCh wants to assert its importance in the UP and claim credit for the initial successes of the Allende administration as it prepares for the municipal elections scheduled for next April.

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Pravda's account of Corvalan's speech portrays the PCCh in a more militant and revolutionary light than previous Soviet press commentary. Heretofore the PCCh has been pictured as a reasonable partner in a coalition having wide appeal. This suggests that the USSR is not so worried about possible US and internal Chilean reactions to greater Soviet attention to the PCCh.

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NICARAGUA: Negotiations between the government and the major opposition party concerning the country's political future are now under way.

President Somoza and Fernando Aguero, the leader of the opposition Conservative Party, agreed last Friday that the scheduled 1972 general election would not be held. Instead, at the end of Somoza's term, a transitional government elected by a constituent assembly would be instituted for a period of perhaps two or three years. The details of electoral and governmental reform will be worked out in subsequent meetings.

Aguero's primary objectives are to ensure that Somoza steps down in 1972 and to gain for his party a more substantial role in the government. The proposed plan also satisfies Somoza's political ambitions because it allows him to continue as head of the armed forces and to run for the presidency after the transitional government.

Leaders of other political factions will undoubtedly criticize any accord and characterize Aguero's action as a sellout to Somoza. Aguero, who may aspire to head the transitional government, is unlikely to be sidetracked, however, and chances of an agreement are fairly good.

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USSR - EAST GERMANY: Soviet party chief Brezhnev reportedly is scheduled to arrive today in East Berlin for the impending summit meeting of Warsaw Pact countries. Press sources in East Berlin consider it likely that he will conduct private talks with the East German leaders before the full summit begins. The meeting is expected to deal with the coordination of bloc policy toward Bonn, a matter which most directly affects the interests of East Germany and the USSR. Both countries may be anxious to resolve any differences between them before the arrival of other bloc leaders. TASS announced yesterday that the Pact meeting would take place this week in East Berlin, but did not give a date; some East European sources have said the meeting will begin on 2 December. [redacted]

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ARGENTINA: Urban terrorists have focused their operations on US personnel with increasing frequency since the fire-bombing of the defense attaché's home in October. The forced entry into the homes of three US military personnel last Friday came only a week after bombs were placed at the homes of two other US officials. No one was injured Friday, but the terrorists made off with arms, uniforms, and identity documents. Many US officials live in the outlying suburbs of Buenos Aires where police protection is minimal, increasing the likelihood of additional and more serious incidents. [redacted]

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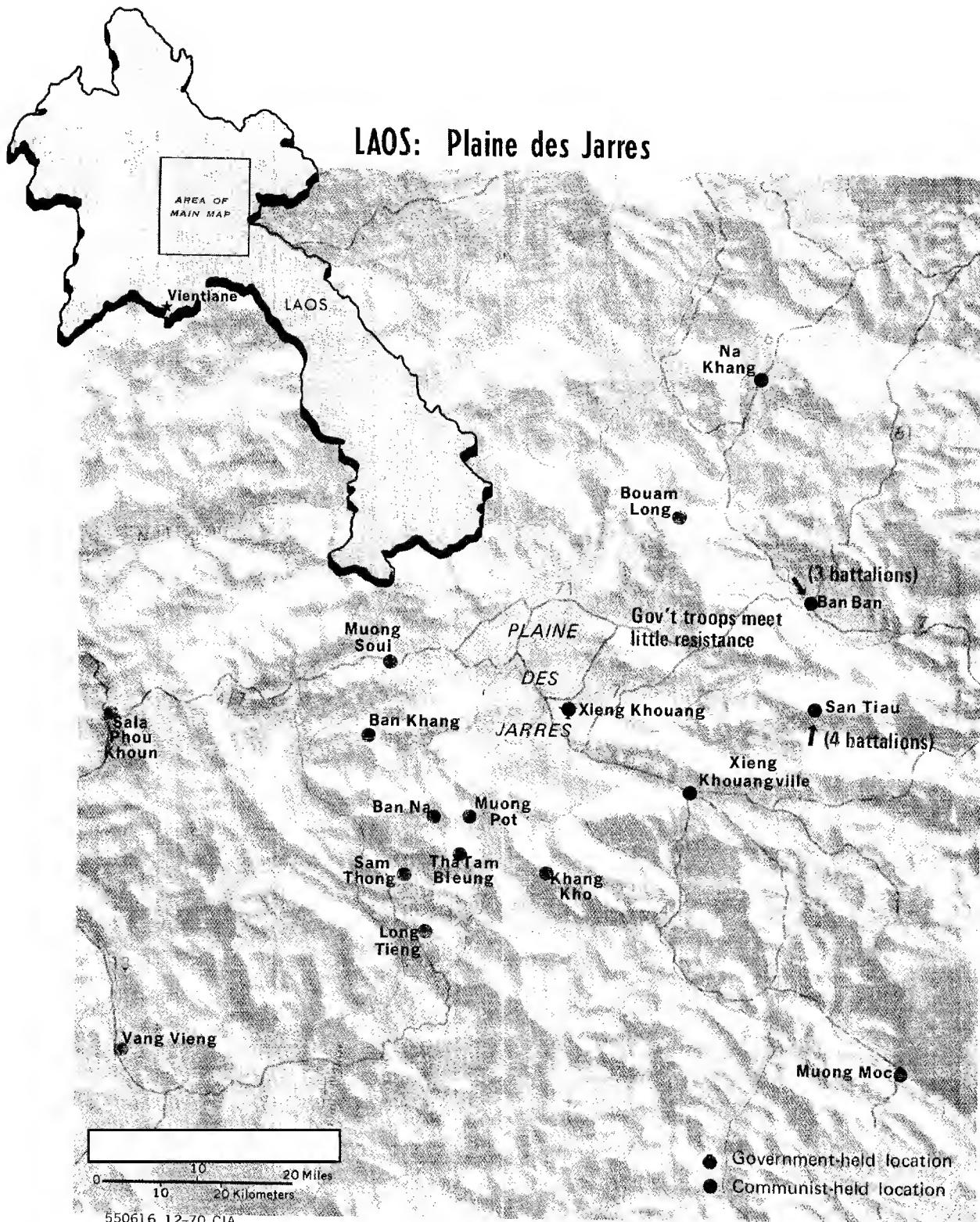
C CAMBODIA: The explosion in the US Embassy early today was the most dramatic Communist action in Phnom Penh to date, and the first targeted against the American presence. It may signal the onset of an intensified Communist terrorist campaign in the capital. No US personnel were injured in the blast, which reportedly was caused by a large plastic charge possibly planted by a local laborer in a section of the embassy now being renovated. [redacted]

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LAOS: Communist forces in the vicinity of Ban Ban have so far offered little resistance to the seven battalions of government troops that have entered the area since 27 November. The 1,000-man irregular force which was airlifted into positions south of Ban Ban has advanced to within two miles of its immediate objective at San Tiau, but is moving slowly because of poor weather. An additional 850 government troops (three battalions) from Bouam Long have moved into positions about four miles north of the Ban Ban valley and have had only scattered contact with enemy forces. Like the government units to the south, these battalions intend to attack Communist logistic assets in the Ban Ban area, but will be withdrawn after their primary missions have been accomplished.

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CONGO (BRAZZAVILLE): The power struggle between President Ngouabi and his extreme leftist partners continues and a showdown is possible before the year's end. In October Ngouabi moved to shore up his weak position by agreeing to cooperate closely with Kinshasa President Mobutu. Last week he succeeded in reinstating a tribal brother as army chief of staff. The radicals, in turn, have arranged the demotion of Vice President Raoul--a Ngouabi supporter--to the fourth position in the government after the President and the two top party extremists. They also are taking steps to buttress the radical component of the armed forces stationed in the capital. The leftists may fear that the scheduled restoration of diplomatic and unrestricted commercial relations with Kinshasa in mid-December will greatly strengthen Ngouabi's hand. This view could impel them to move directly against the President soon.

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CONGO (KINSHASA): President Mobutu has named a senior officer to act as army commander for Commander in Chief Bobozo, who suffered a severe stroke on 13 November. The officer, Major General Bosango, was named only the acting commander, thus averting, at least temporarily, serious dissension among army officers. Bosango is regarded by many younger officers as incompetent and cowardly, but they reportedly believe that Mobutu will choose a better man as the permanent commander in chief if Bobozo is not able to resume active duty. Protracted delay in choosing a permanent commander could, however, intensify long-standing rivalries among senior officers and eventually reopen latent tribal and regional factionalism among all ranks.

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